Medicaid Integrity Program

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Finding Balance

Ensuring Fiscal Integrity while Meeting the Healthcare Needs of Medicaid Beneficiaries

CMS Realignment

- Creation of the Center for Program Integrity
  - Deputy Administrator for Program Integrity
  - Includes Medicare & Medicaid program integrity functions
  - Elevates the importance of program integrity in this Administration

Center for Program Integrity

- Established by Secretary Sebelius – April 2010
- Lead by Peter Budetti, MD, JD
- Ensure correct payments made to legitimate providers for appropriate & reasonable services to eligible beneficiaries
- Activities in practice focus on:
    1. Preventing & reducing improper payments
    2. Eliminating fraud

CPI Strategic Principles

- Focused on preventing fraud and other improper payments
- Targeted toward the areas where fraud and abuse are greatest
- Coordinated and consolidated across Medicare and Medicaid
- Conducted in newly expanded partnership with the private sector

CPI Core Values

- Assuring appropriate services to beneficiaries is the primary value
- Public resources available to CPI must be used efficiently
- CPI's activities must be respectful of legitimate providers and suppliers
- CPI is accountable for achieving its goals
- Productive, collaborative relationships & partnerships are important to achieving CPI's mission

Strategic Goal

Protect the Medicaid program by strengthening the national Medicaid audit program while enhancing Federal oversight of and support and assistance to State Medicaid programs.

Background: Medicaid Integrity Program

- Deficit Reduction Act (DRA) of 2005 established the Medicaid Integrity Program (MIP) in §1936 of the Social Security Act.
- Dramatically increased Federal resources to fight Medicaid fraud, waste, and abuse.
- Requires CMS to contract with entities to:
  - *Review* provider claims
  - *Audit* providers and others
  - *Identify* overpayments, and
  - *Educate* providers, managed care entities, beneficiaries and others with respect to payment integrity and quality of care.
- Provide effective support and assistance to States

Partnership with States

- <u>Support</u> not supplant State Medicaid program integrity efforts.
- Work closely with States on National Audit program.
  - Target identification
  - Audit resolution
- Provide technical assistance and training to State PI staff.

Medicaid Integrity Program Activities

- Medicaid Integrity Institute (MII)
- Special Field Projects
- State Program Integrity Reviews
- State Program Integrity Assessments
- Technical assistance and guidance to States
- National Medicaid Audit Program

Medicaid Integrity Contractors

- Three types of MICs:
  - Audit
  - Review
  - Education
- Five jurisdictions:
  - New York (CMS Regions I & II)
  - Atlanta (CMS Regions III & IV)
  - Chicago (CMS Regions V & VII)
  - Dallas (CMS Regions VI & VIII)
  - San Francisco (CMS Regions IX & X)

Executive Order 13520: Reducing Improper Payments

- Issued November 2009

- Purpose:
  - Reduce improper payments by eliminating payment errors, waste, fraud, and abuse in major Federal programs.
  - Continue to ensure our programs serve the intended beneficiaries.
  - Balance between decreasing improper payments and ensuring/ promoting access.
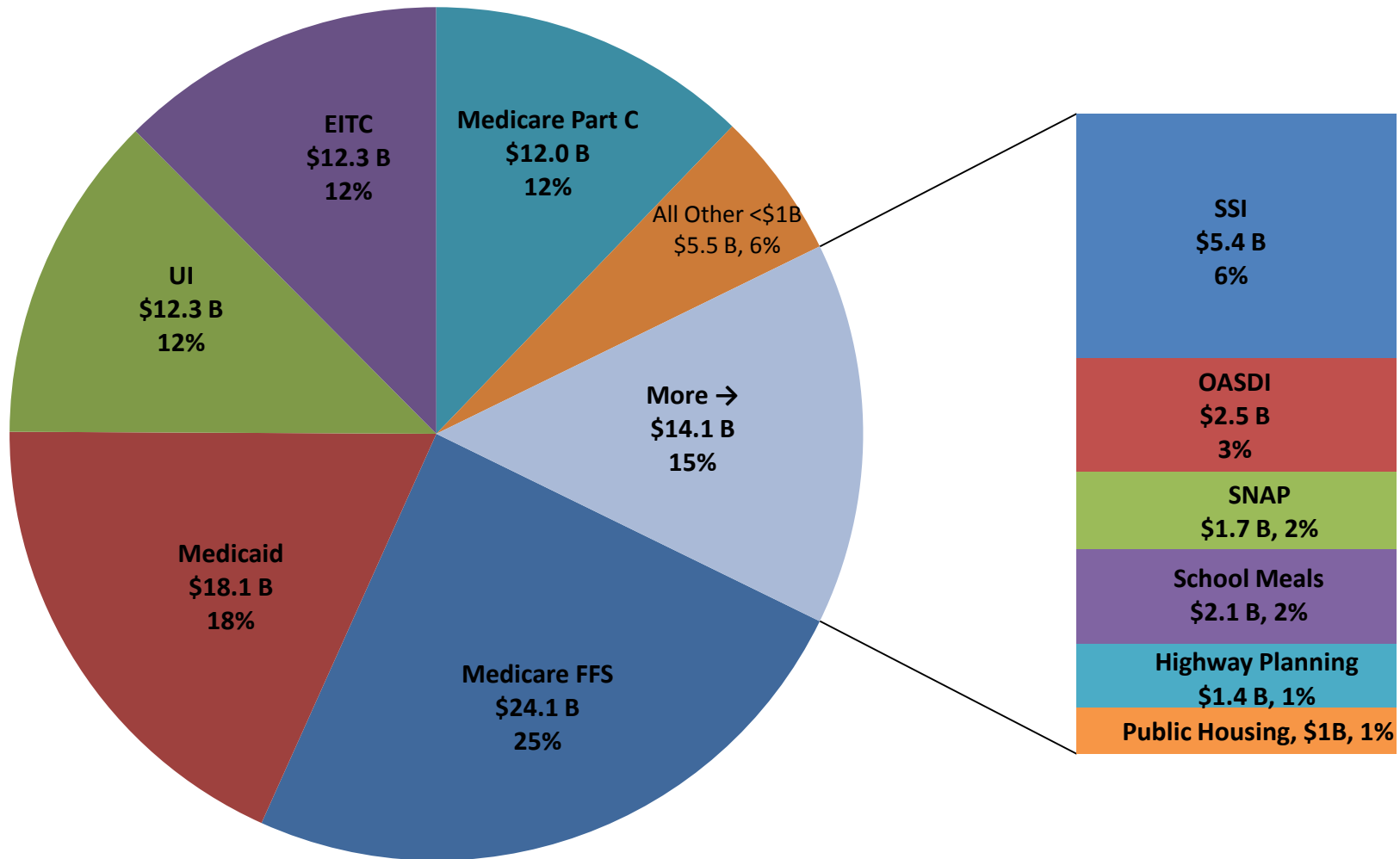
E.O. 13520 Requirements

- ## Transparency and Public Participation
  - Designate high priority programs
  - Centralized website for reporting waste, fraud & abuse
  - More frequent measurement and reporting

- ## Agency Accountability
  - Agency-designated official accountable for meeting targets
  - Quarterly reporting
  - Treasury website

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E.O. 13520 Requirements cont.

- Incentives for Compliance
  - States identify and reduce errors
  - States focus on error reductions vs. compliance
  - Contractors charged damages for improperly invoicing the Government

Initial List of 2010 High-Priority Programs:

Based on FY 2009 Improper Payment Reporting

Pie chart:
- Medicare Part C: $12.0 B, 12%
- EITC: $12.3 B, 12%
- UI: $12.3 B, 12%
- Medicaid: $18.1 B, 18%
- Medicare FFS: $24.1 B, 25%
- All Other <$1B: $5.5 B, 6%
- More →: $14.1 B, 15%

Breakdown of "More →":
- SSI: $5.4 B, 6%
- OASDI: $2.5 B, 3%
- SNAP: $1.7 B, 2%
- School Meals: $2.1 B, 2%
- Highway Planning: $1.4 B, 1%
- Public Housing, $1B, 1%

Other programs that were not measured in FY 2009 but have been tentatively identified as high-priority programs include: Medicare Part D, TANF and CHIP

Measurement

- Identification of National Focus Areas:
  - Nursing homes
  - Inpatient hospital
  - Home health
  - Pharmacy
- State Clusters
- Special Focus States

State Clusters

- Address national focus areas and/ or State-specific issue
- Devise common method of measurement
- CMS will provide data analysis and audit resources
- Monthly meetings with OIG and State MFCUs
- Develop recommendations for improving performance

Patient Protection and Affordable Care Act
&
The Health Care and Education Reconciliation Act

Key Medicaid Program Integrity Provisions

Sec. 6401: Provider enrollment/ screening

– Minimum of licensure check, may include more intrusive checks;

– Application fee for providers/ suppliers

– Provisional enrollment period with enhanced oversight for new providers

– NPI must be attached to Medicaid claims

Key Medicaid Program Integrity Provisions (cont.)

- Sec. 6402(a): NPI must be attached to Medicaid claims and applications
  - CMS-6010-IFC
  - Published on 5/5/10
  - Comment period ends 7/6/10
  - Effective date is 7/6/10

Key Medicaid Program Integrity Provisions (cont.)

- Secs. 6402(c) & 6504: Expands State data reporting – MCO encounter data and additional MSIS data elements

- Sec. 6402(j): Medicaid Integrity Program – track performance data and conduct evaluation of contractors

Key Medicaid Program Integrity Provisions (cont.)

- Sec. 6411: Expands Recovery Audit Contractors to Medicaid (and Medicare C &D)

- Sec. 6506: Extends timeframe for States to repay Federal share of overpayments from 60 days to 1 year

- Sec. 6507: Mandates States' use of National Correct Coding initiative

Additional Information

www.cms.hhs.gov/MedicaidIntegirtyProgram/

- – General information/ background
- – Annual Reports to Congress
- – Comprehensive Medicaid Integrity Plan
- – State contacts

Contact Information

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